

CITY OF EL PASO, TEXAS
REQUEST FOR COUNCIL ACTION (RCA)

DEPARTMENT: Financial Services Department/Consolidated Tax Office
AGENDA DATE: June 5, 2012
CONTACT PERSON/PHONE: Carmen Arrieta-Candelaria, Chief Financial Officer, 541-4011
Juan Sandoval, Consolidated Tax Office, 541-4598
DISTRICT(S) AFFECTED: All

SUBJECT:

A resolution that the City Council ratifies the approval of the expenses for the tenant improvements between the City of El Paso and Madison River Investments, LLC as signed by the City Tax Assessor Collector for additional construction costs in the amount of \$279,430.09, and approves the acquisition for additional furniture and equipment from Business Products and Services, Inc. in the amount of \$121,911.20 because these actions are necessary for the relocation of the Consolidated Tax Office (the "CTO"), at 221 N. Kansas Street, Suite 300, El Paso, Texas. In addition, the City Council authorizes the City Manager to make the appropriate budget transfers in fiscal year 2012 to pay for the identified construction costs, furniture and equipment expenses, monthly lease payments, telephone equipment, and any other necessary costs, which are approximately \$474,000.00 and which are related to the relocation of the CTO and that the City Manager be authorized to execute any and all documents and accounting entries necessary to recover those costs that can be capitalized over a period not to exceed the life of the assets being acquired.

BACKGROUND / DISCUSSION:

The City Manager is requesting authorization to complete the relocation of the Tax Office. This resolution will provide authorization to establish the budget authorization and make the necessary accounting entries to record the transaction appropriately and then to distribute costs to the various taxing entities through the Tax Office's 2012 and future budgets. Notification to the other taxing entities will be made accordingly.

PRIOR COUNCIL ACTION:

November 29, 2011 – City Council approved the lease agreement between Madison River Investments and the City of El Paso

AMOUNT AND SOURCE OF FUNDING:

The expenses for the relocation will be expensed through the Consolidated Tax Office's general fund budget; those costs that can be capitalized will be recovered over the life of the asset. Costs will be allocated/shared proportionately to the various taxing entities.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Carmen Arrieta-Candelaria

RESOLUTION

WHEREAS, on November 29, 2011, the City of El Paso and Madison River Investments, LLC entered into a Lease Agreement for Suite 300 at the Wells Fargo Building, 221 N. Kansas Street for the relocation of the Consolidated Tax Office (the "CTO"); and

WHEREAS, the Lease Agreement identified a construction allowance for tenant improvements; and

WHEREAS, additional improvements in the amount of \$279,430.09 were required, and the cost of the improvements exceeded the identified construction allowance for tenant improvements; and

WHEREAS, additional office equipment and furniture in the amount of \$121,911.20 are necessary to furnish the relocated CTO; and

WHEREAS, an additional appropriation of approximately \$474,000.00 is necessary in the Tax Department's budget for fiscal year 2012 for the identified construction costs, furniture and equipment, monthly lease payments, and telephone equipment related to the relocation of the CTO; and

WHEREAS, the identified costs for the furniture, equipment, construction and any other costs related to the CTO relocation can be capitalized over a period not to exceed the life of the furniture, equipment, and improvements and these costs will be identified in the annual consolidated tax budget for the participating taxing entities.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Council ratifies the approval of the expenses for the tenant improvements between the City of El Paso and Madison River Investments, LLC as signed by the City Tax Assessor Collector for additional construction costs in the amount of \$279,430.09 and approves the acquisition for additional furniture and equipment from Business Products and Services, Inc. in the amount of \$121,911.20 because these actions are necessary for the relocation of the Consolidated Tax Office (the "CTO"), at 221 N. Kansas Street, Suite 300, El Paso, Texas.

In addition, the City Council authorizes the City Manager to make the appropriate budget transfers in fiscal year 2012 to pay for the identified construction costs, furniture and equipment expenses, monthly lease payments, telephone equipment, and any other necessary costs, which are approximately \$474,000.00 and which are related to the relocation of the CTO and that the

City Manager be authorized to execute any and all documents and accounting entries necessary to recover those costs that can be capitalized over a period not to exceed the life of the assets being acquired.

Dated this ____ day of _____, 2012.


CITY OF EL PASO

John F. Cook, Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



Carmen Arrieta-Candelaria
Chief Financial Officer